Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

# Message Text

CONFIDENTIAL

PAGE 01 STATE 075485
ORIGIN ARA-14

INFO OCT-01 ISO-00 CTME-00 EB-08 TRSE-00 L-03 JUSE-00
SEC-01 H-01 XMB-02 FRB-03 CIAE-00 INR-10 NSAE-00
OMB-01 INRE-00 DODE-00 FTC-01 /045 R

DRAFTED BY U.S. CUSTOMS:KINGLEBY;ARA/CAR:DPIERCE:KC
APPROVED BY ARA/CAR:DPIERCE
----------111441 232315Z /64
O 232200Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY NASSAU IMMEDIATE

C O N F I D E N T I A L STATE 075485

E.O. 11652: GDS

TAGS: ETRD, BF

SUBJECT: CURRENCY INVESTIGATION

1. A CUSTOMS TASK FORCE IS INVESTIGATING NUMEROUS MULTI-NATIONAL CORPORATIONS WHO MAY HAVE VIOLATED THE BANK SECRECY ACT BY NOT REPORTING CURRENCY AND/OR MONETARY INSTRUMENTS TRANSPORTED ACROSS THE UNITED STATES BORDER. THE INVESTIGATIONS, COORDINATED WITH A RELATED JUSTICE DEPARTMENT TASK FORCE COMPOSED OF 13 ATTORNEYS, HAVE ENTAILED A REVIEW OF ALL PERTINENT INFORMATION SUB-MITTED BY MULTINATIONAL CORPORATIONS TO THE SEC, WATERGATE SPECIAL PROSECUTOR, CONGRESSIONAL COMMITTEES, DEFENSE DEPARTMENT, EXIM BANK, AND OTHER FEDERAL AGENCIES.

2. A TASK FORCE INVESTIGATION INVOLVING INTERCONTINENTAL DIVERSIFIED CORPORATION (HEREINAFTER IDC), FREEPORT, GRAND BAHAMA ISLANDS, IS CURRENTLY BEING CONSIDERED FOR CRIMINAL PROSECUTION BY THE U.S. ATTORNEY, MIAMI, FLORIDA, IN THAT THE INVESTIGATION HAS DEVELOPED EVIDENCE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 075485

THAT IDC (TO INCLUDE VARIOUS OFFICERS) VIOLATED THE BANK SECRECY ACT (31 USC 1101) BY NOT REPORTING THE TRANSPOR-TATION OF $210,000 INTO/OUT OF THE UNITED STATES IN MAY AND JUNE, 1973.

3. INFORMATION DEVELOPED TO DATE INDICATES THE UNREPORTED $210,000 WAS A PORTION OF FUNDS WHICH THE IDC BOARD OF

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

DIRECTORS AUTHORIZED CHARLES GOLDSMITH, THEN CHAIRMAN OF THE BOARD OF IDC, TO UTILIZE IN 1972 FOR POLITICAL AND OTHER PAYMENTS. ALTHOUGH CERTAIN PAYMENTS WERE SUB-SEQUENTLY MADE, GOLDSMITH EMBEZZLED A SUBSTANTIAL PORTION OF THE ALLOCATED FUNDS. GOLDSMITH'S EMBEZZLEMENT WAS UNCOVERED DURING AN AUDIT OF IDC FOR THEIR FISCAL YEAR ENDING OCTOBER 31, 1975. SUBSEQUENTLY, EDWARD ST. GEORGE, FREEPORT, BAHAMAS, ACTING AS COUNSEL TO A MAJOR IDC STOCKHOLDER, UNDERTOOK AN INQUIRY OF GOLDSMITH'S CONDUCT. THEREAFTER, GOLDSMITH RESIGNED HIS POSITION AND RETURNED APPROXIMATELY THREE MILLION DOLLARS TO IDC. ST. GEORGE THEN SUCCEEDED GOLDSMITH AS CHAIRMAN OF THE BOARD, IDC, IN FEBRUARY, 1976.

4. ST. GEORGE HAS SUBSEQUENTLY EXPRESSED A WILLINGNESS TO BE INTERVIEWED IN THE BAHAMAS BY U.S. CUSTOMS SPECIAL AGENTS, CONCERNING THE UNREPORTED TRANSPORTATION OF $210,000 INTO/OUT OF THE U.S. ST. GEORGE REQUESTED HOW-EVER, THAT CLEARANCE FROM THE BAHAMIAN GOVERNMENT BE OBTAINED PRIOR TO THE INTERVIEW. THE TESTIMONY OF ST. GEORGE IS CENTRAL TO THE INVESTIGATION AND WOULD CORROBORATE INFORMATION PROVIDED BY OTHER SOURCES.

ACTION REQUESTED:

UNLESS EMBASSY SEES OBJECTIONS, IT SHOULD CONTACT THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 075485

BAHAMIAN GOVERNMENT AND REQUEST GCOB CLEARANCE FOR AN INTERVIEW OF ST. GEORGE IN THE BAHAMAS BY TWO CUSTOMS SPECIAL AGENTS. EMBASSY MAY INDICATE THAT INFORMATION SOUGHT IS ON MOVEMENT OF MONEY ACROSS U.S. BORDERS, RATHER THAN ON DISPOSITION OF THE FUNDS ONCE THEY HAVE REACHED BAHAMIAN TERRITORY.

AS THE STATUTE OF LIMITATIONS WILL RUN ON/OR ABOUT MAY 4, 1978, EXPEDITIOUS CONSIDERATION OF THIS REQUEST IS NEEDED. RESPONSE SHOULD BE SLUGGED FOR TREASURY, U.S. CUSTOMS, CURRENCY INVESTIGATOR KENNETH INGLEBY (PHONE 566-5086). VANCE

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 jan 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** CURRENCIES, INVESTIGATIONS, MULTINATIONAL CORPORATIONS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 23 mar 1978
**Decaption Date:** 01 jan 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 20 Mar 2014
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1978STATE075485
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** KINGLEBY;ARA/CAR:DPIERCE:KC
**Enclosure:** n/a
**Executive Order:** GS
**Errors:** N/A
**Expiration:**
**Film Number:** D780129-0290
**Format:** TEL
**From:** STATE
**Handling Restrictions:** n/a
**Image Path:**
**ISecure:** 1
**Legacy Key:** link1978/newtext/t19780330/aaaaaznl.tel
**Line Count:** 106
**Litigation Code IDs:**
**Litigation Codes:**
**Litigation History:**
**Locator:** TEXT ON-LINE, ON MICROFILM
**Message ID:** 021238be-c288-dd11-92da-001cc4696bcc
**Office:** ORIGIN ARA
**Original Classification:** CONFIDENTIAL
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 2
**Previous Channel Indicators:** n/a
**Previous Classification:** CONFIDENTIAL
**Previous Handling Restrictions:** n/a
**Reference:** n/a
**Retention:** 0
**Review Action:** RELEASED, APPROVED
**Review Content Flags:**
**Review Date:** 06 jul 2005
**Review Event:**
**Review Exemptions:** n/a
**Review Media Identifier:**
**Review Release Date:** n/a
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**SAS ID:** 3220927
**Secure:** OPEN
**Status:** NATIVE
**Subject:** CURRENCY INVESTIGATION
**TAGS:** ETRD, EFIN, BF, IDC, INTERCONTINENTAL DIVERSIFIED CORP
**To:** NASSAU
**Type:** TE
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS_Docs/021238be-c288-dd11-92da-001cc4696bcc
**Review Markings:**
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014